

105TH CONGRESS
2D SESSION

H. R. 3549

To amend the Internal Revenue Code of 1986 to repeal the taxes on diesel fuel and gasoline used in trains which were enacted for deficit reduction.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1998

Mr. COLLINS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the taxes on diesel fuel and gasoline used in trains which were enacted for deficit reduction.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. REPEAL OF DEFICIT REDUCTION TAXES ON**
4 **DIESEL FUEL AND GASOLINE USED IN**
5 **TRAINS.**

6 (a) DIESEL FUEL.—Subparagraph (A) of section
7 4041(a)(1) of the Internal Revenue Code of 1986 (relating
8 to diesel fuel and special motor fuel) is amended—

9 (1) by striking “or a diesel-powered train” each
10 place it appears, and

1 (2) by striking “or train” in clause (i).

2 (b) GASOLINE.—Paragraph (3) of section 6421(f) of
3 such Code (relating to exempt sales; other payments or
4 refunds available) is amended to read as follows:

5 “(3) GASOLINE USED IN TRAINS.—This section
6 shall not apply to gasoline used as a fuel in a train
7 with respect to the tax imposed by section 4081 at
8 the Leaking Underground Storage Tank Trust Fund
9 financing rate.”.

10 (c) CONFORMING AMENDMENTS.—

11 (1) Subparagraph (C) of section 4041(a)(1) of
12 such Code is amended by striking clause (ii) and by
13 redesignating clause (iii) as clause (ii).

14 (2) Subparagraph (C) of section 4041(a)(2) of
15 such Code is amended by striking all that follows
16 “section 6421(e)(2)” and inserting a period.

17 (3) Paragraph (1) of section 4041(d) of such
18 Code is amended by inserting before the period “or
19 which would be so imposed if subsection (a)(1)(A)
20 included a reference to diesel-powered trains and if
21 use of fuel in such a train were not an off-highway
22 business use”.

23 (4) Subsection (f) of section 4082 of such Code
24 (as redesignated by section 1032 of the Taxpayer

1 Relief Act of 1997) is amended by striking “train
2 and”.

3 (5) Paragraph (3) of section 4083(a) of such
4 Code is amended by striking “or a diesel-powered
5 train”.

6 (6) Paragraph (3) of section 6427(l) of such
7 Code is amended to read as follows:

8 “(3) REFUND OF CERTAIN TAXES ON FUEL
9 USED IN DIESEL-POWERED TRAINS.—For purposes
10 of this subsection, the term ‘nontaxable use’ includes
11 fuel used in a diesel-powered train. The preceding
12 sentence shall not apply with respect to the Leaking
13 Underground Storage Tank Trust Fund financing
14 rate under sections 4041 and 4081 unless such fuel
15 is used by a State or any political subdivision there-
16 of.”

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall take effect on the date of the enactment
19 of this Act.

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